

# Strategic Management and Performance of Small and Medium Scale Enterprises (SMES) in Akwa Ibom State

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## ABSTRACT

This study focused on the influence of strategic management on the performance of SMEs in Akwa Ibom State. The specific objectives were to examine the influence of strategy formulation, strategy implementation, strategy evaluation and control on the performance of SMEs in the State. Survey research design was adopted in the study. The study had a population of 11,990 and a sample size of 387 derived through the Taro Yamane sample size determination formula. Questionnaire was deployed as the instrument for obtaining the relevant data. Regression statistical technique was utilised for data analyses. An  $R^2$  value of 0.227 in the findings indicates that there is a significant positive influence of strategy formulation on the performance of SMEs in Akwa Ibom State. Similarly, an  $R^2$  value of 0.367 indicates a significant positive influence of strategy implementation on the performance of SMEs in the State. The findings further reveals that an  $R^2$  value of 0.379 implies a significant positive influence of strategy evaluation and control on the performance of SMEs in Akwa Ibom State. It was recommended that SMEs in the State should deepen and improve upon its strategy formulation process in order to improve its performance; that such SMEs should ensure that needed resources for implementation of its business plans and strategies are provided in order to improve its performance; and finally, that the SMEs should pay attention to strategy evaluation and control in order to improve upon their performance.

**Key Words:** Strategic Management, Strategy Formulation, Strategy Implementation, Strategy evaluation and Control, Performance and Small and Medium Scale Enterprise

## I. INTRODUCTION

Businesses around the world are currently dealing with difficulties that have an impact on their operations. These challenges include heightened competition, increasing change, changing needs and tastes of customers, technological changes, increasing awareness and demands on corporate social responsibility, among others. Such challenges require that these businesses consider an appropriate new orientation that can enable them to address the challenges with a view to positioning them properly in a changing and challenging business landscape and so enable them to stand a chance of achieving their goals and objectives. One such orientation is the application of strategic management (McQuity, 2017).

Various authors have given their own definitions of strategic management. Strategic management, in the perspective of Ali and Al-Jaradi (2016), entails a long-term management philosophy that incorporates both internal and external elements, determines the targeted market groups, and employs competitive strategies. Strategic management is described by Thompson and Strickland (2015), as the examination of the internal and external environment to learn about the business's strengths, weaknesses, opportunities, and threats. This analysis leads to the design of a strategy, its implementation, and its evaluation.

Strategy formulation is concerned with defining a business, its goals of establishment and the means to achieving such goals (Meier, O'Toole, Boyne, and Walker, 2017). Businesses formulate their strategies through crafting its mission first. It is a company's mission which sets its purpose and so distinguish it from those of others. Since organizations come into being to deliver on certain missions, they require strategies to realize their

missions, hence these strategies have to be formulated. Therefore, businesses formulate strategies which have to be implemented so as to manage the developments that occur in their environments of operation (Pearce and Robinson, 2015).

Strategy implementation is the process of turning an organization's strategies into a series of activities. In this manner, the organization's mission, vision, and strategic objectives are brought to life in order to achieve its predetermined goals (Thompson and Strickland, 2015). According to Musyoka (2016), organizational transformation and strategy implementation are intrinsically intertwined. The process of carrying out an organization's strategies and policies through the use of plans, funds, and processes is known as strategy implementation.

Strategy evaluation and control is a useful tool leveraged by managers in attempts to offer explanation on why certain objectives succeed or fail. It is through strategy evaluation and control that businesses assess the extent to which their set goals in several parameters have been achieved (Nah, 2017). Thus, at this stage of the strategic management process, corporate activities are monitored and this results in a comparison of actual performance against planned performance. These three elements, make up strategic management, which enables an organization to deal with uncertainties in their line of business while enhancing organizational performance (Schendel, 2016).

Flapper, Fortuin, and Stoop (2016) are of the opinion that performance explains the way in which the organization carries its objectives into effect. It is the product of various units' interactions (Stainer, 2015). The performance of an enterprise is determined by the environment in which it operates and is concerned with the ability of an enterprise to actualize set performance goals (Richardo and Wade, 2016). Organizations have broadly two aspects of performance, financial or non-financial. The financial aspects of performance include Return on Assets (ROA) and Return on Equity (ROE) among others. The non-financial aspect of performance includes, quality of service, customer satisfaction, market share, competitive advantage among others.

Akingbade and Fasogbon (2015) argue that strategic management can improve performance. These authors advocated for the application of strategic management in business. The Small and Medium Scale Enterprises (SMEs) as the engine of growth in an economy requires the

principles of strategic management especially in present-day volatility of the business environment. Thus, the SMEs that are conscious of the increasing dynamism of its environment, are supposed to formulate, implement as well as evaluate and control its strategies in order to improve its chances of survival. Efi, Udofia and Imagha (2018) emphasize that the concept of strategy is worthy of note because of its relevance to the study of management in organizations.

However, the increasing level of changes in the Nigeria's business environment has been disrupting the business plans of many organisations and making it difficult for them to realize their set performance goals. With the changing level of competition among SMEs operators in the country, shifting customer expectations, changes in government policies and economic realities as well as technological advancements, there is pressure on such SMEs to actualize the expected performance criteria. The failure of the SMEs to manage their business operations strategically in today's increasingly dynamic business environment results in unrealized performance goals and their inability to gain competitive advantage in their business. Inability of the SMEs to have a long-term orientation in planning for their operations, implies that these businesses fail to subject their business environment to critical analysis and because of this do not clearly have details of its strengths and weaknesses, opportunities and threats. Given this scenario, these businesses are bereft of the critical success factors that would enhance its performance. This may also be responsible for the high failure rate of the SMEs in Nigeria generally and recently in Akwa Ibom State in particular.

Considering the foregoing, the main objective of the study was to investigate the influence of strategic management on the performance of SMEs in Akwa Ibom State. Specifically, the study was conducted to:

- i. assess the influence of strategy formulation on performance of SMEs in Akwa Ibom State;
- ii. examine the influence of strategy implementation on performance of SMEs in Akwa Ibom State;
- iii. Investigate the influence of strategy evaluation and control on performance of SMEs in Akwa Ibom State.

These researchers further raised the following research questions:

- i. What is the influence of strategy formulation on performance of SMEs in Akwa Ibom State?;

- ii. How does strategy implementation influence the performance of SMEs in Akwa Ibom State?;
- iii. What influence has strategy evaluation and control on the performance of SMEs in Akwa Ibom State?

In attempt to answer the research questions and achieve the set objectives, the researchers formulated the following hypotheses:

**Ho<sub>1</sub>:** There is no significant influence of strategy formulation on performance of SMEs in Akwa Ibom State;

**Ho<sub>2</sub>:** There is no significant influence of strategy implementation on performance of SMEs in Akwa Ibom State;

**Ho<sub>3</sub>:** There is no significant influence of strategy evaluation and control on the performance of SMEs in Akwa Ibom State.

## II. REVIEW OF RELATED LITERATURE

### 2.1 Conceptual Review

#### 2.1.1 Strategic Management

Adeleke, Ogundele and Oyenuga (2018) are of the opinion that the management philosophy of strategic management involves making use of an organization's assets and liabilities to maximize opportunities and reduce risks. Yuki (2016) sees strategic management as consisting of a set of vast cognitive activities which involves the gathering of information, its analyses and resultant decision. According to Sharplin (2015), strategic management focuses on creating and carrying out plans and undertaking tasks related to those issues that are significant to the firm as a whole. According to Aremu (2016), an organization needs a plan to concentrate its efforts and facilitate collaboration. Strategy is necessary to enable collective activities and focus of efforts toward attaining organizational plans and objectives because without it, an organization devolves into a collection of individuals. Furthermore, Ayandele (2019) defines strategic management as a systematic process of having a vision for the future and turning such vision into goals alongside the course of action to achieve the vision.

Akinyele and Fashogbon (2017) posit that strategic management entails underpinning activities that aim to create or manipulate an environment to produce a condition that is more favorable for a business. These authors maintained that it is impossible to overstate the value of strategic management in any company organization. Most businesses now understand how

important strategic management is to the long-term development and survival of their company.

#### 2.1.2 Strategy Formulation

Meier et al., (2016) are of the opinion that strategy formulation guides organizational management in defining its business and what it seeks to achieve and the means to realizing same goal. As a result, an organization first defines its mission before developing its strategy. Efiet al.(2018) explain that mission is a statement which describes the role an organization plays in a society and the particular need(s) they seek to meet.

It is considered that a company's mission is remarkable when it establishes both its purpose, which is obviously different from others', and its operational parameters. Organizations are set up to pursue specific goals, and in order for this to be realized, effective strategies must be developed. In order to accomplish a set of objectives, an organization's structure must be developed. Some of the modifications addressed by this new analysis are referred to as real-time response issues or surprise issues (Onwuchekwa, 2015). Organizations develop implementation strategies in response to environmental changes (Pearce and Robinson, 2015).

#### 2.1.3 Strategy Implementation

A crucial step in the strategic management process is strategy implementation. To ensure that the organization's goal, vision, strategic objectives, and strategy are realized in accordance with what was intended, a process is used to transform established strategy into a series of actions and results (Thompson and Strickland, 2015). Musyoka (2017) asserts that organizational change and strategy implementation are closely linked. According to the implementation incentives framework, businesses should utilize incentives to encourage workers to achieve their objectives. Strategy implementation entails putting strategies and policies into practice through plans, funds, and methods (Musyoka, 2017).

#### 2.1.4 Strategy Evaluation and Control

According to Strydom (2017), executives use strategy evaluation and control as instruments to learn why particular goals set by a business succeed or fail. Using strategy control, a company can monitor its performance in relation to goals in terms of completion dates, prices, and quality (Nah, 2016). Strategy formulation, strategy execution, and strategy assessment and control are the three steps or tasks that make up the process of strategic

management, which has developed from a straightforward planning function (Thompson and Strickland, 2015). Evaluation is the step in strategic management that allows for efficient monitoring of business operations so that actual performance may be compared to desired performance.

### 2.1.5 Performance

Any business organization must prioritize performance. This is so because generating profits is the main goal of a business. The performance of a business demonstrates its ability to meet objectives by efficiently utilizing its resources (Edward, 2016). Three distinct categories make up an organization's performance. These aspects include financial performance, which includes things like profits, return on investment, and asset returns, among other things; performance may also be related to products. Performance indicators for the product market, such as sales and market share, may be included. Once more, performance can be evaluated in terms of shareholder return, including total shareholder return and economic value contributed (Richard, 2019).

### 2.2 Theoretical Review

**The Resource-Based Theory seems to hold the explanatory power of the nexus between strategic management and the performance of small and medium scale enterprises.** As a theory, Resource-based theory is attributed to Jay Barney who is said to have developed the theory in 1991. The theory creates a relationship between an enterprise's internal qualities and its performance. According to this theory, the capacity of an enterprise to formulate strategies is anchored on its unique resources. Therefore, opportunities in the external environment of businesses can only be exploited given that the firm uses its core competences in formulating and implementing strategies.

The theory stresses the need for businesses to compete based on its unique resources. Thus, it is believed that an organization's superior and sustained competitive advantage can be sourced from accumulation and deployment of its strategic resources. These resources include, physical, financial, human, organizational, technological, and firm reputation. Resources can be tangible and intangible. Tangible resources are physical things. They include items such as buildings, equipment, capital and land. Tangible assets have no physical presence while trademarks, intellectual property and brand reputation are some examples of intangible assets owned by a firm.

The use of resource-based theory in this study is appropriate. This is because the theory links the internal resources and capabilities of an organization and its performance. Accordingly, through this theory, it can be established that a company's internal resources are what can convey competitive advantage and superior performance for the firm. Ability of an organization to improve its performance is a major goal of businesses. Achieving such goal therefore requires that businesses leverage on their resources including core competencies in formulating, implementing and evaluating their strategies.

### 2.3 Empirical Review

Williams, et al. (2017) carried out research on Texas company performance and strategic management principles. The purpose of the study was to determine how strategic management ideas, such as the creation and implementation of strategies, might affect the success or failure of privately owned businesses. The study's target companies were six. 311 participants in the study completed and returned their copies of the questionnaire. Regression analysis was used for data analysis. It was discovered that the performance of manufacturing companies was impacted by strategic management principles. Therefore, it was determined that theories of strategic management could explain how well businesses performed. It was recommended that the firms studied should continue in leveraging on strategic management practices to have improvement in their operational performance. The reviewed study used regression analysis in data analysis. The present study also used regression analysis in its data analysis.

Hieu and Nwachukwu (2019) conducted an investigation on strategy evaluation process and strategic performance nexus. This study was conducted in Nigeria and was aimed at revealing the link between strategy evaluation process and performance among the telecommunications companies that operate in country. The study studied four companies and made use of the survey research design. The questionnaire was employed as the main instrument for data collection. In the study, 120 managers and analysts involved in strategic management of the surveyed telecommunication companies were administered with copies of the questionnaire. The instrument recorded 87.5% responses rate. Following collection of data in the study, data were analysed with both correlation and regression methods of data analysis. Results of the analysis indicated that



strategy evaluation process has significant and positive impact on the studied firm's performance. The researchers recommended that companies embrace and make use of strategy evaluation process to enhance their ability to identify issues on performance and subsequently take corrective actions if their strategic initiatives fail in producing expected results. It was concluded that strategy evaluation process could facilitate achievement and sustenance of strategic performance. The reviewed study by Hieu and Nwachwku (2019) was centered on mobile telecommunications firms in Nigeria. The study made use of both correlation and regression methods of data analysis. In the current study, considered strategic management as a whole and focused on SMEs. Also, the study made use of regression method of data analysis.

Maroa and Muturi (2015) carried out an investigation of strategic management practices on the performance of floriculture firms. This study was carried out in Kenya with the aim of investigating the strategic management practices of firms surveyed and how those practices affected their performance as business enterprises in the country. The study made use of a descriptive survey research design and had a target population of 21 floricultural firms while 10 were selected and studied. Using simple random sampling method, 5 respondents were selected from each of the sampled firms making a total of 50 respondents that responded to administered questionnaire. The method of data analysis in this study was Chi-square ( $\chi^2$ ). It was established that majority of the companies surveyed made use of strategic management practices of strategic planning, implementation; and evaluation and control. Further, it was established that all these practices of strategic management significantly influenced the performance of floricultural firms in the country. It was concluded that strategic management practices were effective in influencing the performance of floriculture firms in Kenya. The researchers made a recommendation that top management of the firms studied should improve upon their effectiveness in strategic management by sourcing useful inputs from their lower level managers and supervisors. The reviewed study made use of Chi-square in its analysis compared to the present study that uses regression method.

Okeke et al. (2016) investigated strategic management and its effects on SMEs performance. This study was conducted in Delta State of Nigeria with the main aim of establishing the extent to which the performance of selected SMEs was being

determined by strategic management. The research design used in this study was survey research design. The study used a sample size of 167. Questionnaire was administered on SMEs in order to obtain research data. Data analysis in the study was done with correlation analysis. It was found that strategic management has the potential to contribute to SME performance at some time while diminishing it at other times. It was concluded that strategic management had an effect on SMEs performance. The researchers recommended the use of an effective strategic management process by SMEs so as to record improved business performance. The study by Okeke, Onuorah and Jakpa(2016) investigated strategic management which is similar to the present study. However, the method used in analysis of data was correlation method. The present study uses regression analysis method.

Magaisa and Matipira (2017) carried out a study on strategy evaluation and control for SMEs. This study was carried out in Zimbabwe with the primary objective of investigating the role played by strategy evaluation and control in the operations of SMEs involved in manufacturing activities. The study employed the survey research design and had a population of 1000 SMEs whose location was within 5 of the country's 10 provinces. The researchers used questionnaire in collecting data. The sourced data were subsequently analysed with one-way ANOVA. The outcome of data analysis showed that strategy evaluation and control played a significant role in the operations and performance of SMEs. It was concluded that strategy evaluation and control could lead to improved performance and survival rate of SMEs in the country. The researches recommended that in view of the rather hostile operating environment of business in the country, it was important for small businesses in the country to formulate, implement and regularly evaluate and control their strategies to be able to withstand competition especially from the large and well established enterprises. The study by Magaisa and Matipira(2017) was focused on strategy evaluation and control and its role in the operations and performance of manufacturing SMEs. The study employed ANOVA in its analysis of research data. The present study examines strategic management as a whole while its method of data analysis is regression.

Agwu (2018) conducted an investigation into how strategic management impacted business performance of SMEs. The primary objective of this study was to establish the impact of strategic management on the performance of small business

in the areas of number of customers, volume of transactions and market share. The study used a survey research design and was conducted in Lagos. It involved 120 SMEs owners who were administered with copies of the questionnaire. Data for the study were presented using percentage method and hypotheses were tested with regression method of data analysis. Findings of the study showed that strategic management contributed significantly to increase in market share and number of customers. The result also indicated that strategic management had a positive but insignificant impact on transaction volume. It was concluded that strategic management had an impact on the performance of SMEs. The researcher recommended that SMEs should embrace strategic management and formalize its application in their operations so as to improve their performance. The study by Agwu (2018) was on strategic management and performance of SMEs but was limited to Lagos State. The method of data analysis in the study was regression analysis. The present study is similar but its area of study being Akwa Ibom State. The research employs regression analysis as a method of data analysis.

Onyekwelu (2020) investigated the effects of strategic management on organizational performance in manufacturing firms in South-East Nigeria. The study adopted a descriptive survey design. The population of the study was made up of 1200 selected manufacturing firms in South East, Nigeria. The major instrument used in the study was the questionnaire. Multiple regression analysis was employed in analyzing the data using a 5% level of significance. Strategic management showed significant effect on organizational performance of manufacturing firms in South East, Nigeria. It was concluded that strategic management can determine organizational performance of manufacturing firms in the South Esat zone of Nigeria. It was recommended that manufacturing firms sustain the application of strategic management in their operations given turbulent and hyper competitive environment in which such firms operated.

Olanipekun et al. (2015) examined the impact of strategic management on competitive advantage and organization performance in Nigerian Bottling Company. The study used primary data with the aid of a structured questionnaire which was used to elicit information from respondents. The data collected were analyzed using both descriptive statistics such as frequencies, percentages mean, standard deviation and inferential statistical tool of Chi-square. The

findings revealed that indeed the adoption and implementation of strategic management practices makes the organization not only to be proactive to changes but also initiate positive changes that consequently leads to competitive advantage and sustainable performance. The reviewed study was on impact of strategic management on competitive advantage and organization performance and it was a case study compared to the present study which is on strategic management and SMEs performance. Also, while the reviewed study used Chi-square in data analysis, the present study uses regression method of data analysis.

### III. METHODOLOGY

#### 3.1 Research Design

The survey research design was used in the conduct of this study. The population of this study was made up of 11,990 SMEs. This number represents the number of registered small businesses in Akwa Ibom State as reported by the Directorate of SMEs Akwa-Ibom State counted 11,990 SMEs in the state in 2021. In this study, all forms of SMEs involved in the provision of tangible products and services were surveyed. In determining the sample size for this study, Taro Yamen's (1967) model was used and this resulted in 387 as sample size. The research instrument had two sections, A and B. Section A obtained respondents' demographic information while section B was used in establishing the influence of independent variables on the dependent variable. This instrument had five-point Likert scale and was assessed as follows; Strongly agree (SA-5), Agree (A-4), Disagree (D-3), Strongly Disagree (SD-2) and Undecided (UN-1). Two senior lecturers in the department of Business Management of University of Uyo were consulted to assist in examining and advising on the face and content validation of the instrument. The instrument had a Cronbach Alpha coefficient of 0.77. It also recorded a response rate of 76.47%. Mean and standard deviation were used to analyze descriptive data. Regression analysis was used to test formulated hypotheses at 0.05 level of significance.

#### 3.2 Model Specification

The hypothetical variables that show the causal effect of strategic management and performance was estimated using these specified models:

$$\begin{aligned} \text{PFM} &= b_0 + b_1 \text{SGF} + e & \text{i} \\ \text{PFM} &= b_0 + b_1 \text{SGM} + e & \text{ii} \\ \text{PFM} &= b_0 + b_1 \text{SEC} + e & \text{iii} \end{aligned}$$

Where;

PFM = Performance

SGF = Strategy formulation  
 SGM=Strategy Implementation

SEC=Strategy Evaluation and Control

### 3.3 Theoretical Specification of Model

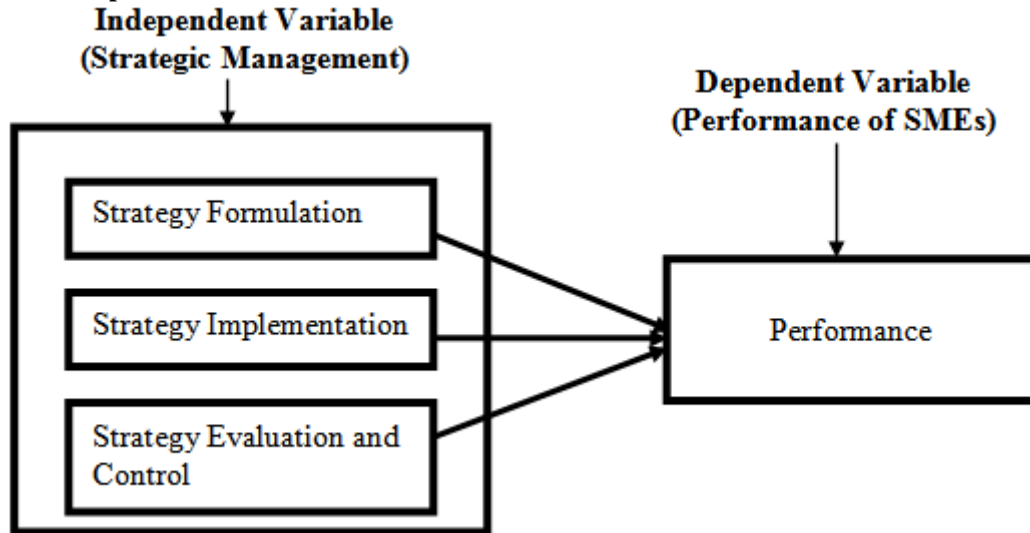


Figure 1: Research Model

Source: Researchers' Conceptualization, 2024

## IV. DATA PRESENTATION AND ANALYSES

### 4.1 Analysis of Questionnaire Administration Questionnaire Administered and Retrieved

Table 1.1: Distribution and Return of Questionnaire

	Questionnaire Administered	Questionnaire Returned	Percentage Returned
	387	312	80.6.
<b>Total</b>	<b>387</b>	<b>312</b>	<b>80.6%</b>

Source: Researchers' Compilation, 2024

Table 1.1 presents the number of questionnaire copies administered and retrieved. During the course of the research, 387 copies of the questionnaire were distributed to entrepreneurs in the state. Of this number, 312 copies were fully completed and returned. This number represents 80.6% response rate.

### 4.2 Descriptive Analyses

#### Research Questions

##### Research question 1

What is the influence of strategy formulation on performance of SMEs in Akwa Ibom State?

Table: 1.3: Responses on strategy formulation and performance of SMEs in Akwa Ibom State

Statements on Questionnaire	SA	A	D	SD	UN	Total
In my business, I set goals that facilitate delivery of service to customers	84 (26.92%)	156 (50.0%)	38 (12.18%)	31 (9.94%)	3 (0.96%)	312 (100%)

I am clear about my mission of being in business which provide guidance towards performance	78 (25.0%)	163 (52.24%)	37 (11.86%)	28 (8.97%)	6 (1.92%)	312 (100%)
Formulating business plans assists my allocation of resources resulting in goal achievement	93 (29.81%)	159 (50.96%)	34 (10.89%)	18 (5.77%)	8 (2.56%)	312 (100%)
I formulate plans and strategies that boosts my business performance	81 (25.96%)	88 (28.21%)	88 (28.21%)	44 (14.10%)	11 (5.53%)	312 (100%)
Mean	84	142	49	30	7	312

Source: Researchers' Field Survey, 2024

Table 1.3 shows the responses on strategy formulation and performance of SMEs in Akwa Ibom State. In the table, 84(26.92%) respondents strongly agreed that in their business, they set goals that facilitate delivery of service to customers; 156(50.0%) agreed; 38(12.18%) disagreed; 31(9.94%) strongly disagreed while 3(0.96%) were undecided. In the table also, 78(25.0%) respondents strongly agreed that they are clear about their mission of being in business which provide guidance towards performance; 163(52.24%) agreed; 37(11.86%) disagreed; 28(8.97%) strongly disagreed while 6(1.92%) were undecided. Furthermore, 93(29.81%) respondents strongly agreed that formulating business plans assists allocation of resources resulting in goal

achievement; 159(50.96%) agreed; 34 (10.89%) disagreed; 18(5.77%) strongly disagreed while 8(2.56%) were undecided. The table also show that 81(25.96%) respondents strongly agreed that they formulate plans and strategies that boosts their business performance; 88(28.21%) agreed; 88(28.21%) disagreed; 44 (14.10%) strongly disagreed while 11(5.53%) were undecided. From the analysis on Table 3, majority of respondents, 226(72.44%) indicated that strategy formulation influenced the performance of small and medium scale enterprises in Akwa Ibom State.

### Research question 2

How does strategy implementation influence the performance of SMEs in Akwa Ibom State?

**Table: 1.4: Responses on strategy Implementation and Performance of SMEs in Akwa Ibom State**

Statements on Questionnaire	SA	A	D	SD	UN	Total
As I implement strategies, I achieve most of my performance targets	92 (29.49%)	169 (54.17%)	23 (7.37%)	21 (6.30%)	7 (2.24%)	312 (100%)
Using periodic action plans, it helps me to realize business goals	86 (27.56%)	154 (49.36%)	37 (11.87%)	26 (8.33%)	9 (2.88%)	312 (100%)
I allocate resources to facilitate implementation of plans and improvement in business performance	83 (26.60%)	162 (51.92%)	41 (13.14%)	19 (6.09%)	7 (2.24%)	312 (100%)
With proper execution of plans this can boost achievement of business	85 (27.24%)	154 (49.36%)	52 (16.67%)	12 (3.46%)	9 (2.88%)	312 (100%)



targets						
<b>Mean</b>	86	160	38	20	8	312

Source: Researchers' Field Survey, 2024

Table 1.4 shows the responses on the influence the performance of SMEs in Akwa Ibom State. In the table, 92(29.49%) respondents strongly agreed that as they implement strategies, they achieve most of their performance targets; 169(54.17%) agreed; 23(7.37%) disagreed; 21(6.30%) strongly disagreed while 7(2.24%) is undecided. Also in the table, 86(27.56%) respondents strongly agreed that using periodic action plans, it helps me to realize business goals; 154(49.36%) agreed; 37(11.86%) disagreed; 26(8.33%) strongly disagreed while 9(2.88%) were undecided. Furthermore, 83(26.60%) respondents strongly agreed that they allocate resources to facilitate implementation of plans and improvement in business performance; 162(51.92%) agreed;

41(13.14%) disagreed; 19(6.09%) strongly disagreed while 7(2.24%) were undecided. Again, 85(27.24%) respondents strongly agreed that with proper execution of plans this can boost achievement of business targets; 154(49.36%) agreed; 52(16.67%) disagreed; 12(3.46%) strongly disagreed while 9(2.88%) were undecided. From the analysis on Table 4, majority of respondents, 226(72.44%) indicated that strategy implementation has an influence on the performance of small and medium scale enterprises in Akwa Ibom State.

**Research question 3**

What influence has strategy evaluation and control on the performance of SMEs in Akwa Ibom State?

**Table: 1.5: Responses on Strategy Evaluation and Control and Performance of SMEs in Akwa Ibom State**

Statements on SA	A	D	SD	UN	Total	
It is necessary to review operations in order to improve business performance	89 (28.53%)	174 (55.77%)	23 (7.37%)	19 (6.09%)	7 (2.24%)	312 (100%)
As I review business performance, it enhances meeting customers' expectations	84 (26.92%)	169 (54.17%)	26 (8.33%)	29 (9.29%)	4 (1.28%)	312 (100%)
I use corrective actions to improve my business performance	85 (27.24%)	158 (50.64%)	39 (12.50%)	24 (7.69%)	6 (1.92%)	312 (100%)
Results of business reviews help in planning for performance improvement	78 (25.0%)	168 (53.85%)	42 (13.46%)	17 (5.45%)	7 (2.24%)	312 (100%)
<b>Mean</b>	84	167	33	22	6	312

Source: Researchers' Field Survey, 2024

Table 1.5 shows the responses on the influence of strategy evaluation and control on performance of SMEs in Akwa Ibom State. In the table, 89(28.53%) respondents strongly agreed that it is necessary to review operations in order to improve business performance; 174(55.77%) agreed; 23(7.37%) disagreed; 19(6.09%) strongly disagreed while 7(2.24%) were undecided. Also in the table 84 (26.92%), respondents strongly agreed that as they review business performance, it enhances meeting customers' expectations; 169(54.17%) agreed; 26(8.33%) disagreed; 29(9.29%) strongly disagreed while 4(1.28%) were

undecided. Again, the table indicates that 85(27.24%) respondents strongly agreed that they use corrective actions to improve their business performance; 158(50.64%) agreed; 39(12.50%) disagreed; 24(7.69%) strongly agreed while 6(1.92%) were undecided. Furthermore, in the table, 78(25.0%) respondents strongly agreed that results of business reviews help in planning for performance improvement; 168(53.85%) agreed; 42(13.46%) disagreed; 17(5.45%) strongly disagreed while 7(2.24%) were undecided. From the analysis in Table 1.5, it is seen that majority of the respondents, 251(80.45%)

supported the idea that strategy evaluation and control has an influence on the performance of small and medium scale enterprises in Akwa Ibom State.

**4.3 Test of Hypotheses**  
**Test of hypothesis One**

**Hypothesis 1**

**H<sub>01</sub>:** There is no significant influence of strategy formulation on performance of SMEs in Akwa Ibom State

**H<sub>11</sub>:** There is a significant influence of strategy formulation on performance of SMEs in Akwa Ibom State

**Table 1.6: Regression Analysis Result on the influence of Strategy Formulation on Performance of SMEs in Akwa Ibom State**

<b>Model Summary</b>						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.526 <sup>a</sup>	.277	.249	2.26796		
<b>Goodness of Fit <sup>a</sup></b>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	67.631	1	1359.201	9.938	.071 <sup>b</sup>
	Residual	31.497	310	128.311		
	Total	99.128	311			
<b>Coefficients<sup>a</sup></b>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
1	(Constant)	1.433	.802		2.051	.021
	Strategy Formulation	.482	.323	.515	1.492	.053

- a. Dependent Variable: SMEs Performance
  - b. Predictors: (Constant), Strategy Formulation
- Source:** Researcher’s Computation

**Source:** Researchers’ Computation, 2024

Table 1.6 shows the result of regression analysis on the influence of strategy formulation on performance of SMEs in Akwa Ibom State. The generalized model summary showed an R<sup>2</sup> of 0.277 which implies that 27.7% of the changes in strategy formulation influences 27.7% of the changes in the performance of SMEs in Akwa Ibom State. The model also showed a goodness of fit at 95 percent (p-value <0.05). The influence of strategy formulation on performance of SMEs in Akwa Ibom State was statistically significant at 95% (also p-value <0.05). In view of this result, the null hypothesis which stated that there is no significant

influence of strategy formulation on performance of SMEs in Akwa Ibom State is rejected. Hence, it can be concluded that there is a significant influence of strategy formulation on performance of SMEs in Akwa Ibom State.

**Hypothesis 2**

**H<sub>02</sub>:** There is no significant influence of strategy implementation on performance of SMEs in Akwa Ibom State.

**H<sub>12</sub>:** There is a significant influence of strategy implementation on performance of SMEs in Akwa Ibom State.

**Table 1.7: Regression Analysis Result on the Influence of Strategy Implementation on Performance of SMEs in Akwa Ibom State**

<b>Model Summary</b>						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.606 <sup>a</sup>	.367	.330	1.20937		
<b>Goodness of Fit <sup>a</sup></b>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	83.388	1	2253.214	18.329	.001 <sup>b</sup>
	Residual	59.487	310	136.428		
	Total	142.875	311			
<b>Coefficients<sup>a</sup></b>						
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	1.623	.272		1.726	.001
	Strategy Implementation	.531	.201	.486	2.642	.000

- a. Predictors: (Constant), Strategy Implementation  
 b. Dependent Variable: SMEs Performance

**Source:** Researchers' Computation, 2024

Table 1.7 shows the result of regression analysis on the influence of strategy implementation on performance of SMEs in Akwa Ibom State. The generalized model summary showed an R<sup>2</sup> of 0.367 which implies that 36.7% of the changes in strategy implementation influences 36.7% of the changes in the performance of SMEs in Akwa Ibom State.

The model also showed a goodness of fit at 95 percent (p-value <0.05). The influence of strategy implementation on performance on performance of SMEs in Akwa Ibom State showed statistically significant relationship at 95% (also p-value <0.05).

In line with this result, the null hypothesis which stated that there is no significant influence of strategy implementation on performance of SMEs in Akwa Ibom State is thus rejected. Hence, it can be concluded that there is a significant positive influence of strategy implementation on performance of SMEs in Akwa Ibom State.

### Hypothesis 3

**H<sub>03</sub>:** There is no significant influence of strategy evaluation and control on the performance of SMEs in Akwa Ibom State.

**H<sub>13</sub>:** There is a significant influence of strategy evaluation and control on the performance of SMEs in Akwa Ibom State.

**Table 1.8: Regression Analysis Result on the Influence of Strategy Evaluation and Control on Performance of SMEs in Akwa Ibom State**

<b>Model Summary</b>						
Model	R	R Square	Adjusted R Square	Std. Error of Estimate		
1	.616 <sup>a</sup>	.379	.341	0.24033		
<b>Goodness of Fit<sup>a</sup></b>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	96.326	1	2451.326	13.893	.000
	Residual	73.372	310	138.101		
	Total	169.698	311			
<b>Coefficients<sup>a</sup></b>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.702	.346		2.025	.000
	Strategy Evaluation and Control	.732	.317	.621	2.309	.000

a. Predictors: (Constant), Strategy evaluation and control

b. Dependent Variable: SMEs Performance

**Source:** Researchers' Computation, 2024

Table 1.8 shows the result of regression analysis on the influence of strategy evaluation and control on the performance of SMEs in Akwa Ibom State. The generalized model summary showed an R<sup>2</sup> of 0.379 which implies that 37.9% of the changes in strategy evaluation and control influences 37.9% of the changes in the performance of SMEs in Akwa Ibom State. The model also showed a goodness of fit at 95 percent (p-value <0.05). The influence of strategy evaluation and control on the performance of SMEs in Akwa Ibom State was statistically significant at 95% (also p-value <0.05). Following this result, the null hypothesis which stated that there is no significant influence of strategy evaluation and control on the performance of SMEs in Akwa Ibom State is thereby rejected. Hence, it can be concluded that there is a significant influence of strategy evaluation and control on the performance of SMEs in Akwa Ibom State.

#### 4.4 Discussion of the Findings

Result of test of hypothesis one established that strategy formulation had a positive

significant influence on performance of SMEs in Akwa Ibom State.

The result of this study is in line with the findings of other researchers including Nnamani et al., (2015) and Edwards (2013) who found that strategy formulation had significant impact on organizational performance. Furthermore, Harrison and Porter (2010) have counseled that companies formulate three aspects of strategy namely, Corporate level, Competitive and Functional Strategies. Hence, it is important that telecommunications companies in Nigeria approach their strategy formulation comprehensively.

The outcome of test of hypothesis two revealed that strategy implementation had a positive significant influence on performance of SMEs in Akwa Ibom State. The result is in line with the findings of Anichebe and Agu (2015); and Williams (2017) who in their separate studies revealed that strategy implementation had a significant impact on organizational performance. This result has business implications. When organizations implement their strategies, such

organizations are likely to reap from the planned gains of such strategies such as increase in sales, customer satisfaction and profitability.

The result of test of hypothesis three indicated that strategy evaluation and control had a positive significant influence on performance of SMEs in Akwa Ibom State. The result supports the result of Abdalla (2015) who found out that strategy evaluation had a significant effect on organizational performance in addition to providing direction towards strategy implementation improvement. Furthermore, other studies indicated influence of strategic management on performance. These studies include those of Taiwaoand (2017) who found that the use of strategic management improved performance and Ayanda and Oyinloye (2014) who established that strategic management impacted the performance of banks.

## V. CONCLUSION AND RECOMMENDATIONS

This study focused on the influence of strategic management on the performance of SMEs in Akwa Ibom State. Findings of test of hypothesis one indicated that strategy formulation has an insignificant influence on the performance of SMEs in Akwa Ibom State. It was concluded that strategy formulation can determine the performance of SMEs in Akwa Ibom State.

Findings of test of hypothesis two showed that strategy implementation has a significant influence on performance of SMEs in Akwa Ibom State. It was concluded that strategy implementation can predict the performance of SMEs in Akwa Ibom State.

Result of test of hypothesis three indicated that strategy evaluation and control has a significant influence on performance of SMEs in Akwa Ibom State. In line with this outcome, it was concluded that strategy evaluation and control was important to the performance of SMEs in Akwa Ibom State.

In line with the findings of this study, the following recommendations are made:

- i. It is important for SMEs in Akwa Ibom State to deepen and improve upon its strategy formulation process in order to improve its performance.
- ii. It is recommended that SMEs in Akwa Ibom State should ensure that needed resources for implementation of its business plans and strategies are provided in order to improve its performance.

- iii. It is recommended that SMEs in Akwa Ibom State should pay attention to strategy evaluation and control in order to improve upon its their performance.

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